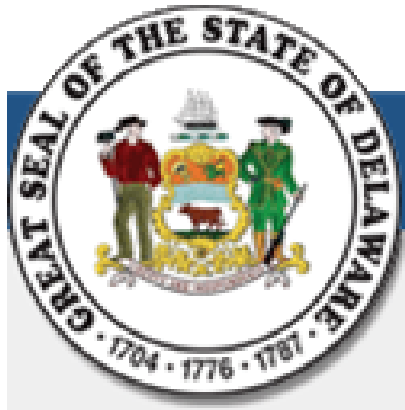


STATE OF DELAWARE



Department of Finance Division of Revenue

Carvel State Office Building, 8th Floor
820 N. French Street
Wilmington, DE 19801

Request For Proposals For Special Litigation Counsel

Bid Number: 022010TABS

Bid Closing: March 2, 2009; 3:00 p.m. EST

**REQUEST FOR PROPOSALS FOR
SPECIAL LITIGATION COUNSEL
ISSUED BY THE STATE OF DELAWARE**

Executive Summary

The Department of Finance, Division of Revenue for the State of Delaware (“Revenue”) is issuing this Request for Proposals (“RFP”). Revenue seeks to engage a law firm to act as Special Litigation Counsel (“Special Litigation Counsel”) in connection with three pending Administrative Actions before the Tax Appeal Board. The actions are captioned *MLCS LLC (f/k/a Saturn Corporation), v. Director of Revenue* Dkt. No. 1486, *OLD CARCO MOTORS LLC, successor in interest to Chrysler Motors LLC and DaimlerChrysler N.A. Holding Corporation v. Director of Revenue* Dkt. No. 1487, and *MOTORS LIQUIDATING COMPANY (f/k/a General Motors Corporation) v. Director of Revenue* Dkt. No. 1488 (the “Actions”). These Actions seek reversal of Notices of Determination issued by Revenue disallowing claims for a refund of Wholesalers’ Gross Receipts Taxes.

Revenue anticipates that, after conducting interviews, it will select one firm to act on behalf of Revenue as Special Litigation Counsel. Revenue reserves the right to award multiple contracts if it determines that such an award is in the best interest of the State of Delaware (“State”).

This RFP will define the scope of the work to be performed, the requirements the vendor (“Vendor”) must address, the method for response, and the administrative requirements that must be followed. Revenue will advise potential Vendors of changes to any dates as may be necessary. Revenue also reserves the right to modify and/or cancel this solicitation at any time during the RFP process.

RFP Schedule

| ID | Date/Time | Activity |
|----|---|--|
| 1 | February 22, 2010 | Request for Proposal issued, posted on Department of Finance and Attorney General’s websites. |
| 2 | February 25, 2010 | All Vendor questions regarding RFP are due |
| 2 | February 26, 2010 | State issues answers to questions regarding the RFP via Department of Finance website at http://www.state.de.us/finance and Attorney General’s website at http://attorneygeneral.delaware.gov |
| 5 | March 2, 2010; 3:00 p.m. EST | RFP Response due date |
| 4 | March 4, 2010 | Begin Vendor Interviews (subject to change) |
| 5 | March 4, 2010 | Begin Negotiations (subject to change) |
| 6 | March 4, 2010 | Contract awarded (subject to change) |

All interested firms should submit an original and 8 bound copies of their proposals ("Proposal") to the contact person. Proposals may be mailed or hand-delivered for receipt no later than 3:00 p.m. EST on March 2, 2010 ("Closing Date"). All timely Proposals become the property of the State. Requests for extensions of the Closing Date will not be granted. Any Proposal, request for modification, or request for withdrawal received after 3:00 p.m. on the Closing Date is late and may not be considered. The Proposals may be delivered by Express Delivery (e.g., FedEx, UPS, etc.), U.S. Mail, or by hand. Proposals shall be submitted to:

Cynthia L. Collins
Deputy Attorney General
Carvel State Building
820 N. French Street, 6th Floor
Wilmington, Delaware 19801
Direct Dial: (302) 577-8405
Fax: (302) 577-6630
Email: Cynthia.Collins@state.de.us

Each proposal must be accompanied by a transmittal letter, which briefly summarizes the proposing firm's interest in providing the required professional services. The transmittal letter must also clearly state and justify any exceptions to the requirements of the RFP, which the applicant may have taken in presenting the Proposal. Revenue reserves the right to deny any and all exceptions taken to the RFP requirements.

The cost of preparing Proposals will be borne solely by the offerors. Proposals shall address all the questions posed by the Issuers in the order in which they appear in this request.

RFP Designated Contact:

Please submit all questions and requests for information to:

Cynthia L. Collins
Deputy Attorney General
Carvel State Building
820 N. French Street, 6th Floor
Wilmington, Delaware 19801
Direct Dial: (302) 577-8405
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All questions submitted, along with answers will be consolidated into a single Q&A document. The source of the questions will not be disclosed in the document. The Q&A document will be posted on the Department of Finance's website at <http://www.state.de.us/finance> and the Attorney General's website at <http://attorneygeneral.delaware.gov>.

1.0 GENERAL INFORMATION

1.01 Project Scope and Objectives

This RFP seeks to retain the services of Special Litigation Counsel to provide legal services to Revenue with respect to the Actions pending before the Tax Appeal Board involving claims for refunds of Wholesalers' Gross Receipts Taxes paid to the State of Delaware dating back to 2002. Further, as some or all petitioners are currently subject to the jurisdiction of the Bankruptcy Court of the Southern District of New York some issues relating to the bankruptcy filings of General Motors, Saturn and Chrysler may arise in litigating the Actions.

1.02

Selected Special Litigation Counsel will work closely with the Deputy Attorney General ("DAG") assigned to Revenue for the Actions. From time to time, the DAG may refer the Special Litigation Counsel to work directly with Revenue Staff, as necessary to successfully defend the pending Actions. All advice is to be provided directly to the DAG or to one of these members of Revenue, as referred by the DAG.

2.0 MINIMUM REQUIRED QUALIFICATIONS

2.01 Experience and Reputation

- A. The Vendor must have been in business at least three years.
- B. The Vendor should have at least five (5) or more year's prior experience in representing clients before Administrative Boards and the Delaware Courts.
- C. The Vendor should have at least five (5) or more year's prior experience in representing clients in Bankruptcy matters.
- C. The Vendor must designate a lead attorney licensed to practice law with five (5) or more year's litigation experience in the Delaware courts.

2.02 Professional Liability Insurance

The Vendor shall agree to maintain in full force and effect during the term of the Contract professional liability insurance in an aggregate amount of not less than \$2 million. In order to satisfy this requirement, the Vendor must:

- A. Include a statement in its Proposal affirmatively responding to this requirement; and

B. Include in its Proposal either:

- 1) A certificate of insurance or letter from its insurer demonstrating that the Vendor meets this requirement, or
- 2) A commitment letter or other evidence, satisfactory to the contact person, that Vendor will have such coverage as of the date the Contract commences.

If the Vendor is a joint venture, and one party of the joint venture does not presently have such liability insurance, this requirement may be satisfied if the members of the joint venture include in their proposal evidence, satisfactory to the contact person, that all members of the joint venture will have such coverage as of the date the Contract commences, either through actual insurance policies or an indemnity agreement by the properly insured firm, in form and substance acceptable to Revenue.

2.03 Vendor's Capacity

Each Vendor must demonstrate the capacity to perform the type of services needed by Revenue described in Section 1.01 above. The Vendor must be available at all times to render services required under the Contract.

3.0 TECHNICAL PROPOSAL FORMAT

The following information shall be provided in each proposal in the order listed below. A Vendor is expected to provide a response for each requirement listed in this RFP. Failure to respond to any request for information within this proposal may result in rejection of the proposal at the sole discretion of the Revenue.

3.01 General

All technical proposals shall be prepared with a concise description of the Vendor's capabilities to satisfy the minimum qualifications of Section 2 above and the information requested under Section 3 below. Vendors should organize their proposals so that their responses correspond to the specific subsections to the extent possible without unnecessary repetition.

3.02 Required Information

The proposal shall contain the information described below. Joint ventures should provide the information separately for each firm.

A. Vendor's Prior Experience

1. General Information:

- (i) Within the past three years, have there been any significant developments in your firm such as changes in ownership or restructuring? Do you anticipate any significant changes in the future? Please describe.
- (ii) Has your firm or an attorney in your firm's employ even been disciplined or censured by any regulatory body? If so, describe the principal facts.
- (iii) Within the last five years, has your firm, or a partner or attorney in your firm, been involved in litigation or other legal proceedings relating to provision of legal services? If so, provide an explanation and indicate the current status or disposition.
- (iv) Please describe your firm's backup procedures in the event one or more attorneys assigned to the Revenue leave the firm. Identify the key attorney who will be the primary contact and lead counsel in providing services to Revenue, whose continuing status as such is an essential element of this contract.

2. Litigation Experience:

- (i) Describe the Vendor's experience in the last five (5) years representing or advising public sector clients in administrative law issues;
- (ii) Describe the Vendor's experience in litigating tax related matters during the last five (5) years, including any involvement with issues relating to administrative law issues and tax refund cases;
- (iii) Describe the Vendor's experience in the last five (5) years defending or advising public or private sector clients in bankruptcy claims litigation;
- (iv) Describe the Vendor's experience in Delaware State Courts during the last five (5) years, including any involvement with issues relating to administrative law, appeals of administrative law issues and/or tax issues generally;

- (v) Provide a brief description of areas of the law related to the purpose of this RFP in which the Vendor has an expertise, including, but not limited to, administrative law, and constitutional law.

B. Conflicts of Interest.

1. In general. If a conflict of interest arises, the Vendor should be willing to continue to represent Revenue and be in a position to inform other existing or potential clients that they must find representation elsewhere in particular situations. The State may entertain a request for a waiver of a Vendor's representation of a party in litigation involving a unit of State government other than Revenue, but does not expect to waive any other conflicts. Revenue reserves the right, in its sole discretion, to select another approved law firm to work on a particular matter if a conflict is not resolved to its satisfaction.

Each Vendor shall complete a conflicts check for the State, Revenue and the identified petitioners. Each Vendor shall identify any conflicts of interest which may arise if the Vendor serves as Special Litigation Counsel and shall describe in its Proposal how it proposes to deal with such conflicts. Conflicts may arise not only from attorneys names on the contract but also from representation of parties involved in the transactions or other matters involving Revenue by any member of the firm, regardless of whether that attorney is in the same office or a different office of the firm.

2. The State recognizes that Vendors may have conflicts due to previous representations of (i) parties in actions against the State, and/or (ii) of the pre-bankruptcy entities. The State encourages Vendors with conflicts to submit proposals, identify the conflicts and describe recommended resolutions

4.0 PRICE PROPOSAL FORMAT

4.01 Billing Rates

- A. Current billing Rates for all attorneys assigned to represent Revenue pursuant to this RFP and any applicable discounts;

- B. Current billing Rates for all para-professionals assigned to represent Revenue pursuant to this RFP and any applicable discounts;
- C. No compensation will be permitted for the services of law clerks and law school graduates not admitted to practice.

4.02 Alternative Pricing Proposals

Although each Vendor is required to submit a price proposal containing the information set forth in Part 4.1, Revenue will also accept proposals for alternative billing arrangements, which enhance the value and efficiency of the services to be provided. The Vendor may submit a statement, not more than one page in length, with respect to any alternative pricing proposal.

5.0 EVALUATION OF PROPOSALS

The selection committee shall evaluate the proposals. During the evaluation process the selection committee may, at its discretion, request any or all firms to make oral presentations or participate in a formal interview. Such presentation or interviews will provide firms with an opportunity to answer questions about a firm's Proposal. Not all firms may be asked to make an oral presentation or to attend an interview.

5.01 Selection Criteria

The selection of the firm to provide legal services will be based on an evaluation of the Proposals to determine which Proposal reflects the best value to Revenue, with technical factors generally being considered more important than cost of services. The selection of the firm to provide legal services will be based upon the following technical factors in descending order of importance.

- A. Experience of the firm and the individual attorneys representing clients in Administrative litigation;
- B. Experience with or knowledge of litigation and Administrative proceedings on behalf of governmental agencies;
- C. Experience of the firm and the individual attorneys representing governmental agencies generally;
- D. Experience of the firm and the individual attorneys representing clients in state tax matters, in particular in connection with challenges to state tax statutes under the Commerce Clause of the U.S. Constitution;

- E. Experience of the firm and the individual attorneys representing clients in bankruptcy actions related to claims litigation;
- F. Administrative structure of representation (i.e., proposed staffing assignments), soundness of approach to representation and understanding of the needs of Revenue;
- G. Demonstrated ability to perform the services referred to under Project Scope and Objectives, and
- H. References and recommendations of other clients.

5.02 Contract Negotiation

Revenue intends on opening negotiations with Vendors that Revenue determines have a reasonable likelihood of being awarded a contract based on the proposals that are submitted. Negotiations will focus on any technical weaknesses or deficiencies in proposals as well as cost and pricing issues.

A written contract with each of the selected the law firms will be required. Each contract must be approved by the Attorney General of the State of Delaware and the Governor of the State of Delaware pursuant to 29 *Del. C.* § 2507.

5.03 Contract Award

Revenue reserves the right to award all, part, or none of this contract. Revenue intends to award a contracts to one law firm if deemed appropriate and desirable.